

Personal Short-Term Disability

INCOME PROTECTION INSURANCE POLICY

Plan Highlights

- Selection of:
 - monthly benefit amount
 - elimination period
 - benefit period
- Guaranteed-renewable to age 70
- Benefits paid directly to you unless you choose otherwise
- Benefits paid regardless of any other insurance



Without it, no insurance is complete.



Personal Short-Term Disability

Policy Series A-57200

We take many things for granted — until they're gone. For too many of us, these include our ability to earn an income. We insure our lives, our homes, our automobiles — but we often forget the asset that supports our lifestyles.

CONSIDER THE FACTS

According to the 2001 edition of *Injury Facts*, published by the National Safety Council ...

- ◆ ***While someone makes a 10-minute safety speech, about 390 individuals will suffer a disabling injury.***
- ◆ ***An average of 2,340 disabling injuries occurs every hour during the year.***

CONSIDER THE POSSIBILITIES

If a disability temporarily keeps you from earning your full-time income, how will you pay your bills during your recovery?

- ◆ ***Will you have to use some of your savings?***
- ◆ ***Will you have to sell some of your assets?***
- ◆ ***Will you have to try to borrow money?***

FULLY PORTABLE

When you own AFLAC's Personal Short-Term Disability insurance, your policy stays with you regardless of job changes.

GUARANTEED-RENEWABLE TO AGE 70

You are guaranteed the right to renew this policy until the policy anniversary date following your 70th birthday by payment of premiums at the rate in effect at the beginning of each term. You can never be singled out for a rate increase. Rates can be changed only if the rate is changed for all policies of this class.

While this policy is in force, no change will be made because of your age or physical condition.

PROTECT YOUR INCOME

AFLAC's Personal Short-Term Disability insurance may help provide you with a source of income if you become disabled due to a sickness or off-the-job injury.*

- ◆ ***Monthly Benefits: From \$400 to \$3,000, subject to income requirements***
- ◆ ***Benefit Periods: 6 months, 12 months or 24 months***
- ◆ ***Elimination Periods: Accident/Sickness 0/7, 0/14, 7/14, 0/30, 30/30, 60/60, 90/90 or 180/180 days***

* If you are working at a full-time job while coverage is in force and you become totally disabled within 90 days due to a covered sickness or a covered off-the-job injury, we will pay you one-thirtieth of the benefit shown in the Policy Schedule for each day you remain totally disabled. If you are not working at a full-time job while coverage is in force and you are unable to perform two or more ADLs (activities of daily living) within 90 days due to a covered sickness or a covered off-the-job injury as certified by a physician and you require direct personal assistance to perform such ADLs, we will pay you one-thirtieth of the benefit shown in the Policy Schedule for each day you cannot perform such ADLs. These benefits are payable up to the benefit period you select, subject to the elimination period shown in the Policy Schedule. *Full-time job* is defined as a job that you, the insured, work at 30 or more hours per week for pay or benefits.

Simply put, AFLAC's Personal Short-Term Disability insurance is your personal income protection plan. It is designed to help close the financial gap that can be created by your being disabled.

PROVISIONS OF COVERAGE

Separate periods of disability, if due to the same or a related condition and not separated by 180 days or more, will be considered a continuation of the prior disability. Separate periods of disability due to unrelated causes will be considered a continuation of the prior disability unless they are separated by your returning to work at a full-time job for at least one full day, during which you are performing the material and substantial duties of your job and are no longer qualified to receive disability benefits. The benefit period is the maximum number of days for which benefits can be paid for any one or successive periods of disability. Each new benefit period is subject to a new elimination period. For the purposes of this calculation, a month will be defined as 30 days for which benefits are paid.

Benefits will be paid for only one disability at a time even if the disability is caused by more than one sickness, more than one injury, or sickness and injury. AFLAC reserves the right to meet with you during the pendency of a claim or to use an independent consultant and physician's statement to determine whether you are totally disabled, or whether you are unable to perform two or more ADLs and require direct personal assistance. You must be under the care and attendance of a physician for these benefits to be payable. Benefits will cease on the date you are no longer totally disabled or at your death. If you have any other disability benefit in force with AFLAC, only one disability benefit will be payable under this policy.

EFFECTIVE DATE

The effective date of the policy and riders will be the date shown in the Policy Schedule, not the date the application is signed.

Payroll rate may be retained after one month's premium payment on payroll deduction.

ACTIVITIES OF DAILY LIVING

- ◆ *Continence: maintaining control of urination and bowel movements, including your ability to use ostomy supplies or other devices such as catheters*
- ◆ *Transferring: moving between a bed and a chair, or a bed and a wheelchair*
- ◆ *Dressing: putting on and taking off all necessary items of clothing and/or medically necessary braces and artificial limbs usually worn*
- ◆ *Toileting: getting to and from the toilet, getting on and off the toilet, and performing associated personal hygiene*
- ◆ *Eating: performing all major tasks of getting food into the body*

TOTALLY DISABLED

Totally disabled is defined as your continuing inability to perform the material and substantial duties of your full-time job. You must also be under the care and attendance of a physician for your condition.



Without it, no insurance is complete.

PRE-EXISTING CONDITIONS

Disability caused by a pre-existing condition or re-injuries to a pre-existing condition will not be covered unless it begins more than 12 months after the effective date of coverage. A *pre-existing condition* is a sickness or an injury for which, within the 12-month period before the effective date of coverage, medical advice, consultation or treatment was recommended or received, or for which symptoms existed that would ordinarily cause a prudent person to seek diagnosis, care or treatment. A *sickness* is a

disease, disorder, infection or any other abnormal physical condition not caused by an injury that is first manifested or first treated more than 30 days after your effective date of coverage and while coverage is in force. If the disease or disorder is first manifested or treated within the first 30 days after your effective date of coverage, it will be considered a pre-existing condition.

WHAT IS NOT COVERED

We will not pay benefits for a disability that is caused by or occurs as a result of your:

- ◆ Giving birth within the first 10 months of the effective date of this policy as a result of a normal pregnancy including Caesarean (complications of pregnancy will be covered to the same extent as a sickness);
 - ◆ Being intoxicated or under the influence of any controlled substance, unless administered on the advice of the physician;
 - ◆ Participating in any activity or event, including the operation of a vehicle, while under the influence of a controlled substance (unless administered by a physician or taken according to the physician's instructions) or while intoxicated (intoxicated means that condition as defined by the law of the jurisdiction in which the accident occurred);
 - ◆ Mountaineering using ropes and/or other equipment, parachuting or hang gliding;
 - ◆ Participating in or attempting to participate in an illegal activity that is defined as a felony (a felony is as defined by the law of the jurisdiction in which the activity takes place);
 - ◆ Intentionally self-inflicting a bodily injury or attempting suicide, while sane or insane;
 - ◆ Having cosmetic surgery or other elective procedures that are not medically necessary or having dental treatment except as a result of injury;
 - ◆ Being exposed to war or any act of war, declared or undeclared, or serving in any of the armed forces;
 - ◆ Participating in any form of flight aviation other than as a fare-paying passenger in a fully licensed passenger-carrying aircraft;
 - ◆ Participating in any sport or sporting activity for wage, compensation or profit, or racing any type vehicle in an organized event;
 - ◆ Being totally disabled while outside the territorial limits of the United States or, if outside the United States, outside the territorial limits of the place where your policy was issued;
 - ◆ Being totally disabled due to any of the following: bipolar affective disorder (manic depressive syndrome), delusional (paranoid) disorders, psychotic disorders, somatoform disorders (psychosomatic illness), eating disorders, schizophrenia, anxiety disorders or mental illness without demonstrable organic disease. This policy will pay, however, for covered disabilities resulting from Alzheimer's disease, or similar forms of senility or senile dementia (without a requirement of demonstrable organic disease) first manifested while coverage is in force.
- Illegal Occupation:** AFLAC shall not be liable for any loss to which a contributing cause was the insured's commission of or attempt to commit a felony, or to which a contributing cause was the insured's being engaged in an illegal occupation.
- Benefits will be paid for only one disability at a time even if the disability is caused by more than one sickness, more than one injury, or sickness and injury.**

***If you're uncertain about your need for disability insurance ...
take a look at these statistics!***

- ◆ About 17.2 million people, or 9.9% of the 1998 working-age U.S. population (16–64 years old), have a disability that prevents or limits work.¹
- ◆ A disabling injury occurred every 1.5 seconds in 2000.²
- ◆ In 2000, 7,100,000 disabling injuries occurred in the home, compared to only 29,500 fatalities. This amounts to a disabling injury in the home every 4 seconds.²
- ◆ Among working-age people with severe disabilities, only 30.3% receive Social Security disability or retirement income.¹

¹ Stoddard, S., Jans, L., Ripple, J., and Kraus, L. (1998), *Chartbook on Work and Disability in the United States, 1998*, an InfoUse Report, Washington, D.C.: U.S. National Institute on Disability and Rehabilitation Research, pp. 7 & 41

² National Safety Council, *Report on Injuries in America, 2001*



An international insurer protecting over 40 million people worldwide, AFLAC has a strong capital position backed by high-quality assets and superior overall performance. Our continued success is derived from a philosophy that provides safety for our policyholders. With all of the uncertainty in the insurance industry, it is vital that employees select an insurance carrier that will be there for them in the long run. More than ever, financial strength and stability are the barometers by which insurers are measured.

Our *financial strength* prepares us to meet your needs!

To protect your income ... is to protect your financial security.



Without it, no insurance is complete.

AFLAC, the insurance industry leader in cafeteria plan services,* is ...



- A Fortune 500 company with assets exceeding \$37 billion insuring more than 40 million people worldwide.
- Rated "AA" in insurer financial strength by Standard & Poor's (December 2000), "Aa3 (Excellent)" in insurer financial strength by Moody's Investors Service (December 2001), "A + (Superior)" by A.M. Best (July 2001) and "AA" in insurer financial strength by Fitch, Inc. (November 2001).**
- A world leader in guaranteed-renewable insurance with more than 200,000 national payroll accounts.
- Number one in guaranteed-renewable accident and cancer insurance sales.
- Outstanding in claimant recommendations as validated by an Opinion Research Corporation poll indicating that 9 out of 10 claimants agree that AFLAC paid their claims fairly and promptly, and they would recommend the purchase of cancer insurance to others (July 2001).
- Uncompromising in fast, efficient service. Our toll-free line puts you in touch with a decision-maker immediately.
- Named by *Fortune* magazine to its list of "The 100 Best Companies to Work for in America" for the fourth consecutive year in January 2002.

* *Employers Council on Flexible Compensation (ECFC), 3/00*

** *Ratings refer only to the overall financial status of AFLAC and are not recommendations of specific policy provisions, rates or practices.*

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Your local AFLAC representative

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